

Item: RESO 08-107

Fiscal Impact: _____

Funding Source: _____

Account #: _____

Budget Opening Required: ☐

ISSUE:

A resolution authorizing the City to enter into an amendment to the UTOPIA Interlocal Cooperative Agreement.

SYNOPSIS:

The City, along with other parties entered into an Interlocal Cooperative Agreement of UTOPIA dated as of March 5, 2002 (the "Original Interlocal Cooperative Agreement"), for the purpose of (i) creating the Utah Telecommunication Open Infrastructure Agency ("UTOPIA") as a separate legal entity; (ii) studying the feasibility of constructing and operating a telecommunications system that would provide high-speed broadband voice, video, and data access for internal use by the Members and to residential and commercial establishments within the boundaries of the Members on a wholesale basis.

UTOPIA has issued several series of bonds and anticipates issuing additional bonds or other forms of indebtedness (collectively, the "Bonds") in order to accomplish the acquisition, construction, and equipping of the Network.

It has become necessary to utilize alternative types of financing and the City has authority to finance an interest in improvements, facilities or property to be owned by the municipality or owned jointly by two or more municipalities, and to pledge all or any part of its sales and use taxes to finance said improvements, facilities, or property.

In order to facilitate the financing of the acquisition, construction and equipping of the Network thereby benefiting the City and its inhabitants, the Council has previously and now desires to pledge certain Local Sales and Use Tax funds received by the City, in order to assure the maintenance, in part, of the Debt Service Reserve Fund established under the Indenture, or to pay to UTOPIA the City's Percentage share of the debt service obligation with respect to the Bonds, all for the purpose of enhancing the marketability of the Bonds issued or to be issued by UTOPIA under the Indenture.

RECOMMENDATION:

Staff recommends approval.

SUBMITTED BY:

Wayne T. Pyle